



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MAR 12 2019

Rowan International, LLC
10615 Burnham Court
Naperville, IL 60564

To Whom It May Concern:

On December 3, 2013, the Federal Election Commission found reason to believe that "Unknown Person E" and "Unknown Person E's Corporation" violated 52 U.S.C. § 30118. A Factual and Legal Analysis explaining the basis for the violation was approved at that time and is attached to this notification. On March 5, 2019, following an investigation, the Commission substituted Jerome P. Rowan and your company's name in place of "Unknown Person E" and "Unknown Person E's Corporation" in its previous reason to believe finding. On that same date, after considering the circumstances of the matter, the Commission determined to take no further action, and closed the file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016), effective September 1, 2016.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter G. Blumberg", with a stylized flourish at the end.

Peter G. Blumberg
Acting Deputy Associate General Counsel

Attachment as stated

1 **I. FACTUAL SUMMARY**

2 In separate hearings on February 20, 2013, Congressman Jesse Jackson, Jr. and Sandra
3 Jackson entered guilty pleas to federal charges related to a \$750,000 personal-use scheme dating
4 back to 2005.⁴ The Statement of Offense supporting Congressman Jackson's plea describes a
5 long-running scheme involving Congressman Jackson, his wife Sandra Jackson (referred to as
6 Co-Conspirator 1), and former campaign treasurers, among others, to divert funds from
7 Congressman Jackson's campaign committee, Jesse Jackson, Jr. for Congress, for his and Sandra
8 Jackson's personal use. Specifically, between approximately August 2005 and April 2012, the
9 Jacksons diverted approximately \$750,000 in campaign funds to pay for personal expenses.⁵

10 They obtained these funds through several means. First, between August 2005 and April
11 2012, the Jacksons used the Jackson Committee credit card to make approximately 3,100
12 personal purchases — including meals and entertainment, travel, and household items — totaling
13 approximately \$582,773.⁶ Second, between July 2007 and July 2011, Congressman Jackson
14 made direct expenditures of \$57,793 in Committee funds to purchase a Rolex watch and pay

cases where the available evidence in the matter is at least sufficient to warrant conducting an investigation, and where the seriousness of the alleged violation warrants either further investigation or immediate conciliation.”).

⁴ Congressman Jackson pleaded guilty to conspiracy to commit mail and wire fraud and making false statements. See Plea Agreement at 1, *United States v. Jesse Jackson, Jr.*, 1:13-CR-58 (D.D.C. Feb. 20, 2013) (Dkt. Entry No. 8). Sandra Jackson pleaded guilty to filing false tax returns for failing to report as income the funds the Jacksons diverted from the Jackson Committee for their own use and benefit. See Plea Agreement at 1, *United States v. Sandra Jackson*, 1:13-CR-59 (D.D.C. Feb. 20, 2013) (Dkt. Entry No. 12). On August 14, 2013, the district court sentenced Congressman Jackson to 30 months imprisonment and ordered forfeiture of a money judgment totaling \$750,000 and specifically enumerated property traceable to the scheme. See Judgment at 2, 6, *United States v. Jesse Jackson, Jr.*, 1:13-CR-58 (D.D.C. Aug. 19, 2013) (Dkt. Entry No. 56). On that same date, the district court sentenced Sandra Jackson to 12 months imprisonment and ordered her to pay restitution of \$20,000 to the Internal Revenue Service. See Judgment at 2, 5, *United States v. Sandra Jackson*, 1:13-CR-59 (D.D.C. Aug. 19, 2013) (Dkt. Entry No. 45).

⁵ Statement of Offense ¶ 11.

⁶ *Id.* ¶¶ 20-25.

1 down personal credit card debt.⁷ Third, between 2006 and 2012, the Jacksons, used an
2 intermediary to divert Committee funds and otherwise disguised transactions involving
3 approximately \$100,741 used to pay down personal credit card debt, pay for home renovations,
4 and purchase elk heads.⁸ Finally, the Jacksons also benefitted personally from payments made
5 by other individuals. In one instance, on or about May 5, 2009, Unidentified Person E, the
6 owner of an Illinois consulting firm, issued a \$3,500 check from a corporate account controlled
7 by Person E to pay down the Jacksons' personal credit card debt.⁹

8 II. LEGAL ANALYSIS

9 The Act prohibits corporations from making contributions to candidates or their
10 committees in connection with federal elections.¹⁰ It also prohibits corporate officers from
11 consenting to, and candidates from knowingly accepting, corporate contributions.¹¹ Thus,
12 corporations may not make direct or indirect payments or gifts or provide "anything of value,"
13 including "in-kind contributions" to federal candidates.¹² For example, a corporation may not
14 pay for a candidate's personal expenses because doing so would be considered a contribution
15 unless the payment would have been made irrespective of the candidacy.¹³

7 *Id.* ¶¶ 16-19.

8 *Id.* ¶¶ 26-38, 46-53.

9 *Id.* ¶ 55.

10 2 U.S.C. § 441b(a).

11 *Id.*

12 2 U.S.C. § 441b(b)(2); 11 C.F.R. §§ 100.52(d)(1), 114.1(a)(1).

13 11 C.F.R. § 113.1(g)(6).

1 Here, Person E issued a \$3,500 check drawn on Person E's Corporation's account to pay
2 down the Jacksons' personal credit card debt. This payment was made at Congressman
3 Jackson's direction and there is no information to suggest that the payment would have been
4 made irrespective of Congressman Jackson's candidacy.¹⁴ Nor is there information suggesting
5 that the payment was *bona fide* employment compensation.¹⁵ The Commission therefore finds
6 reason to believe that Person E's Corporation violated the Act by making prohibited corporate
7 contributions.¹⁶ Because Person E was the corporate officers who issued the checks, the
8 Commission also finds reason to believe that Person E violated the Act by consenting to the
9 making of prohibited corporate contributions.¹⁷

10 **III. CONCLUSION**

11 For the reasons discussed above, the available information — and in particular the factual
12 basis supporting Congressman Jackson's guilty plea — credibly sets forth facts supporting a
13 reason to believe that Unidentified Person E and Person E's Corporation violated the Act and
14 Commission regulations.

¹⁴ Cf. AO 2000-08 (Harvey) (gifts to candidates for personal use are contributions subject to the Act's limits and prohibitions).

¹⁵ See 11 C.F.R. § 113.1(g)(6)(iii).

¹⁶ 2 U.S.C. § 441b(a).

¹⁷ *Id.*